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House Passes Barrow Amendment to Small Business Lending Act

Washington, D.C. – The House of Representatives today passed an amendment introduced by Congressmen John Barrow (GA-12) and Steve Israel (NY-2) to H.R. 5297, the Small Business Lending Fund Act of 2010 by a unanimous vote of 420-0. The amendment adds veteran- and women-owned businesses to the groups that will receive outreach under the Small Business Lending Fund established by the underlying bill. It adds veteran-owned businesses to the businesses that should receive consideration in the Fund, adds veterans to the study on lending assistance, and requires the study to report not just on the number of loans made to women-, veteran-, and minority-owned businesses, but the percent of loans that go to them as a part of the program.

“I think [our amendment] makes this good bill just a little bit better,” said Barrow on the floor of the House of Representatives. “Our amendment simply asks banks receiving funds under this Act to reach out to women, minority, and veteran owned businesses, to make them aware of the availability of these funds. These businesses are a particularly valuable but often disadvantaged part of our economy and I think they deserve our special attention.”

The Small Business Loan Fund Act, which the House passed by a vote of 241 to 182, creates three separate programs designed to increase small business lending and jobs:

- Title I creates a small business loan fund that is designed to boost bank lending to small businesses struggling to gain access to credit due to the financial crisis. The legislation will establish a \$30 billion fund provide additional capital to community banks, to lend to small businesses looking to hire and expand their operations.
- The State Small Business Credit Initiative Program provides \$2 billion in funding for new or existing state lending programs. These programs already exist in around thirty states, and use small amounts of public dollars to generate substantial private bank financing. By supporting existing expertise in states around the country and using an existing model that is easy to replicate, this program will quickly increase small business lending and create jobs.
- The Act establishes a new program under the purview of the Small Business Administration (SBA) to provide \$1 billion in financing to support early stage small businesses in the form of true equity financing. This program has twice passed the House of Representatives – in H.R. 3854, the Small Business Financing and Investment Act, and again in H.R. 3738, the Small Business Early Stage Investment Act of 2009 – with strong bipartisan support.

Congressman Barrow delivered the following remarks in full on the floor of the House of Representatives in support of his amendment:

M. Chairman, I've spent a lot of time meeting with small business owners across my district, because small businesses are the backbone of our economy and they hold the key to our recovery.

In the last decade, 70 percent of all new jobs were created by small business. But many are now facing a credit squeeze which makes it hard to cover everyday expenses including hiring and retaining workers. It's in the best interest of our country that our small businesses thrive. That's why the Small Business Lending Fund Act deserves our support.

I'm pleased to offer an amendment, with Congressman Israel, that I think makes this good bill just a little bit better. Our amendment simply asks banks receiving funds under this Act to reach out to women, minority, and veteran owned businesses, to make them aware of the availability of these funds. These businesses are a particularly valuable but often disadvantaged part of our economy and I think they deserve our special attention.

I want to thank my friend, Mr. Israel, for his collaboration on this amendment, and I want to thank the Chairman for his support. Thank you, M. Chairman, and I yield back the balance of my time.

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Contact: Jane Brodsky, (202) 225-2823